



Department of Commerce

Innovation is in our nature.

Request for Proposals

Redevelopment of Building 9 at Sand Point into Affordable Rental Housing



Eligible Applicants: Nonprofit housing organizations, local housing authorities, and other nonprofit community or neighborhood organizations with housing development experience.

Proposals due by: September 26, 2014, no later than 5 p.m.

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Introduction/Background

Building 9 is an historic property located at the west edge of Warren G. Magnuson Park in Seattle. The original structure was built in 1929 as enlisted personnel barracks for Naval Air Station Seattle (a.k.a. Sand Point Naval Station, Naval Station Puget Sound). When the Navy closed the naval station in the mid-1990s, Building 9 was conveyed by the U.S. Department of Education to the University of Washington (UW) for educational purposes. The UW eventually determined that their intended education-related uses were impractical for Building 9 and sought to explore other options. Other properties within the 130-acre Naval Station Puget Sound were conveyed to Seattle Parks and Recreation and the Seattle Office of Housing for other designated uses.

In 2008, the City of Seattle, in conjunction with the UW, commissioned a [feasibility study](#) to assess the viability of redeveloping Building 9 into workforce housing. The study concluded that it would be feasible to develop the building into workforce housing, with the potential for limited commercial use that could generate revenue to help support the ongoing costs of the housing.

Similar to other buildings within the campus, most major maintenance ended in the mid-1980s. Building 9 has remained vacant since 1999 and has suffered deterioration and repeated vandalism. In 2013, the Washington State Legislature directed the Washington State Department of Commerce to redevelop Building 9 into workforce housing, affordable to renters with incomes at or below 80% of area median income.

Commerce has assumed ownership of the property and is soliciting proposals from nonprofit or public entities with experience developing, owning, and managing affordable housing. The selected organization will be required to redevelop, own and operate the project as affordable workforce housing for a minimum of forty years.

Building Description

Building 9 is a Colonial Revival style building that is 223,000 square feet and occupies a parcel of approximately five acres. It measures 800 feet long, 122 feet wide and 43 feet tall. It consists of two main floors, a finished attic, and a basement, which includes several unexcavated areas.

Constructed for dormitories and ancillary services for enlisted personnel, Building 9 also housed a naval chapel, courtroom and offices. The original structure, the north wing, was built in 1929. The center section and south wing were added around 1938. Around 1943, portions of the attic were converted to dormitories. The north section is a load-bearing brick structure. The south wing is nearly identical but is wood frame construction with brick facing. The center section, which housed the mess hall and joined the two wings into a single building, is a one-story wood frame structure over a basement. The



center section and basement may not be feasible for development into housing units and may be considered for non-residential use, provided the use is consistent with the limitations noted below.

Building Condition

Building 9 has been vacant since the 1990's and no major maintenance has been performed since the mid-1980s. After many years of deferred maintenance and frequent vandalism, the property is in poor condition. The roof has extensive damage, resulting in water intrusion, and plumbing and electrical systems have been stripped by thieves. There is no electric power to the building at this time.

The Navy completed limited hazardous materials assessments in the early 1990s relative to asbestos, lead and other materials. Commerce is undertaking a preliminary assessment and will make that information available to bidders upon request; however, the selected organization will need to undertake additional testing and will be responsible for all appropriate assessments and remediation of hazardous materials.



Water, sewer, and electric utilities were upgraded in 1999-2000 in the district, funded by a \$12-million bond. Annual payments will be required until the bond is retired. New meters and lines will likely be necessary from the street to the building. No telecommunication services exist to the building and will need to be routed from Building 138, the gatehouse in coordination with Seattle Department of Information Technology.

Location

Building 9 is located at 7101- 62nd Avenue NE in Seattle. It is situated on the west edge of Warren G. Magnuson Park, alongside Sand Point Way NE, immediately south of the former main naval base entrance and currently the north entrance to the park. Numerous other buildings within the park have been redeveloped for community uses. Immediately across the street from Building 9 are two facilities on property owned by Seattle Parks and Recreation: the Magnuson Community Center; and Tennis Center Sand Point. Adjacent to the south end of Building 9 are several buildings for low-income and transitional housing for the formerly homeless. Other features within the 320-acre

park include indoor and outdoor recreation facilities, a community garden, off-leash dog area, and motorized boat launch.

The Building 9 parcel is located between two city street right-of-ways, Sand Point Way NE (arterial) on the west and 62nd Avenue NE (residential) on the east. An additional right-of-way, NE 70th Street is located on the southern boundary but plans do not call for this to be opened to traffic. Instead it is intended for utilities and a pedestrian/bicycle pathway. This parcel currently includes a limited area for off-street parking.

Two of Seattle's major employers, Seattle Children's Hospital and the University of Washington, are within close proximity of Building 9. The Hospital's main campus is 2 miles southwest of Magnuson Park, and UW's Seattle campus is approximately 4 miles to the southwest. The nearby Burke-Gilman Trail is a regional non-motorized vehicle trail which provides bicycle and pedestrian access to Seattle and suburbs to the northeast.

Business districts, which include grocery stores and other retail services, are located within 2-4 miles to the west of the district. These include Wedgwood (2.3 miles west); University Village (2.8 miles southwest), and Lake City (3.5 miles northwest). Limited transit service currently exists to University Village and Lake City.

Other public services are located are located within 5-10 minutes driving distance and include: public library (Northeast Branch 2 miles west), public swimming pool (Meadowbrook 2.5 miles northwest), public schools (Sand Point Elementary, View Ridge Elementary, Nathan Eckstein Middle School, Roosevelt High School).

Limitations on Development and Use

Deed restrictions

Most of the deed restrictions imposed by the U.S. Department of Education were released upon conveyance of the property to the Washington State Department of Commerce. The limitation to educational uses was removed through an Abrogation Agreement for the express purpose of enabling the property to be redeveloped into affordable housing. The Department of Education has agreed to release the remaining restrictions upon conveyance by Commerce to the organization selected through this RFP. Commerce will require that the property be secured by a Deed of Trust and a Low Income Housing Covenant be recorded against the property for a minimum of forty years.

Historic Preservation

Building 9 is an historic property with many significant features. It is a contributing building within three historic districts that were created at different times after initial property conveyance. These are listed by name and responsible agency: Sand Point

Historic District (WA Department of Archaeology and Historic Preservation - 1997), the NAS Seattle National Register of Historic Places District (WA Department of Archaeology and Historic Preservation, U.S. National Park Service - 2010), and the Sand Point Naval Air Station Landmarks Preservation District (City of Seattle Department of Neighborhoods – 2011). The Sand Point Historic Properties Reuse and Protection Plan (1998) identified key architectural and landscape character defining features in the Sand Point Historic District. Any alterations to character defining architectural or landscape features require review and approval by the appropriate agencies.

Zoning, Land Use and Building Code

Due to the location and historic character of Building 9, redevelopment and uses of the site are subject to many regulations, including but not limited to Seattle's Comprehensive Plan, Seattle Land Use Code (including the Sand Point Overlay District, Signs in the Sand Point Overlay District), and the Sand Point Physical Development Management Plan, and Sand Point Magnuson Park Way Finding and Signage Master Plan.



The Seattle Building Code also applies to the property. Proposals should identify any necessary amendments to these or other legislative documents in order for the project to proceed.

Non-Residential Use

Commerce will consider redevelopment of a limited portion of Building 9 for non-residential use, provided the proposed use fulfills a public purpose with direct benefit to Building 9 tenants, is not-for-profit, and will support the ongoing operation of the building. The center section and basement are the only portions of the Building that should be considered for non-residential use.

State and Local Expectations

Target Population

Commerce expects that, to the extent feasible, the project will serve a mix of income levels; however, incomes cannot exceed 80% of area median income. Proposals should include a plan for outreach and marketing to any targeted populations. Input from the local community has indicated that there is a preference for housing for families with

children. Other populations identified as community priorities include veterans, seniors, and the disabled and, to the extent feasible, those with incomes at or near 50% of area median income in all priority populations.

Community Partnerships

The intent of this solicitation is to develop workforce housing; therefore, proposals should demonstrate partnerships and include a plan for outreach and coordination with local employers, such as Seattle Children's Hospital and the University of Washington.

Proposals should also demonstrate partnerships that will further other benefits for tenants, such as with local school districts, social service, and health care providers.

Historic Preservation

Commerce expects that every effort will be made to retain the historic character and features of Building 9, both in the redevelopment of the building and landscaping of the property. The project developer must have demonstrated experience with the preservation of historic properties and consult with appropriate agencies regarding all applicable historic preservation standards and guidelines.

Sustainable Design

This project will be required, at a minimum, to comply with the state's [Evergreen Sustainable Development Standard](#). Commerce expects that consideration will be given to the long-term operating and life-cycle costs and will incorporate additional measures to enhance the resource-efficiency and sustainability of the project. The project development team should have demonstrated experience applying life-cycle cost analysis and sustainable building practices.

Transportation, Parking and Circulation

The local community has expressed concerns about the availability of parking, lack of access to transit, impacts on traffic, and congestion within the park. Proposals must include a plan to not only address parking, but encourage alternative forms of transportation, and minimize impacts on traffic congestion.



Community Priorities

Planning processes should include consultation with community stakeholders to ensure local priorities and concerns are identified and responded to. Any proposed non-residential use should be supported by the local community. Overall project design should take into consideration the potential impacts on and benefits to the Magnuson

Park environment, such as green space, play areas for children, and bicycle and pedestrian access.

State Contribution to Project

Building 9 is currently owned by Commerce. Commerce intends to transfer ownership of Building 9 to the selected organization at a time and under terms to be negotiated with the selected organization. The deed restrictions imposed by the U.S. Dept of Education will be released either prior to or simultaneous with the transfer. The property will be secured by a Deed of Trust in favor of Commerce for the term of this contract, which will be at least 40 years.

The Legislature has appropriated \$10 million for the redevelopment of Building 9. These funds, less up to \$300,000 in holding costs incurred by Commerce, will be made available to the selected organization for eligible capital expenses. The release of funds will be conditioned on securing all necessary funding and approvals necessary to proceed with the proposed project. Commerce does not commit to providing any additional capital or any operating subsidy to the project.

Proposal Requirements

Proposals must include a complete plan, including budget and financing plan, for the redevelopment of Building 9 into affordable housing for households with incomes at or below 80% of area median income. Redevelopment may be completed in phases, but proposals must identify a plan and timeline for all phases.

In order to be competitive, projects must meet the following criteria:

- Development costs appear reasonable. Any extraordinary costs are clearly explained and justified.
- Proposal demonstrates a clear likelihood that all necessary capital financing, permits, and approvals will be secured within proposed timeframes.
- Operating pro forma demonstrates that the project will have sufficient revenues to support ongoing operating costs.
- Proposed project owner demonstrates sufficient financial and organizational capacity to develop, own, and operate the project over the long-term. Owner does not have significant or recurring performance issues with other publicly funded affordable housing projects.
- Project design and target population reflect locally identified priorities.

Redevelopment Timeline

Project proposals should anticipate having all capital financing secured by March 2016, residential construction beginning by June 2016, and completion by December 2017.

Redevelopment of space for non-residential use may occur as a later phase, but a timeline must be provided and should anticipate completion by December 2018.

Project Guidelines

Project proposals are generally expected to follow the guidelines found in the [Housing Trust Fund Handbook](#). Exceptions are noted in the Application documents (e.g. site control, market study, and Phase 1 Environmental Site Assessment are not required at application). Questions about the applicability of specific guidelines should be addressed to the RFP Coordinator.

Applicant Eligibility and Qualifications

Eligible Applicants are nonprofit housing organizations, local housing authorities, and other nonprofit community or neighborhood organizations with at least ten years of affordable housing development experience. If Applicant has not had experience with a large multi-family rehabilitation project within the past five years, Applicant must partner with a qualified development consultant experienced with multi-family rehabilitation and historic preservation.

Applicants must demonstrate the financial capacity to own and operate the project long-term, as evidenced by audit reports, financial statements, and tax returns for the last two years.

Access to Site

Building 9 contains hazardous substances and has been secured to prevent entry. Commerce will make the building accessible to Applicants by appointment only. Appointments will be available on Thursday, June 19 and Thursday, June 26. Applicants wishing to access the site must contact the RFP Coordinator by Thursday, June 12 to schedule an appointment. Access will be limited to organizations with a serious intent to apply and members of their development team. Access to the building on alternative dates must be requested at least two weeks in advance.

Proposal Deadline and Submittal Procedures

The proposal consists of the [Application](#), along with any and all required attachments, as stated in the application documents. Application documents can be found on the [Commerce website](#). All elements of the application must be completed and provided in both an electronic (CD) and hard (paper) copy.

Proposals submitted by mail must be postmarked by the due date of September 26, 2014. Hand-delivered materials must be received by Commerce no later than 5 p.m. on September 26, 2014.

Applicants will receive an email confirmation of receipt by Commerce by close of business on the following business day. If confirmation of receipt is not received within this period, it is the Applicant's responsibility to inform Commerce and, if necessary, provide evidence of timely submission (e.g., a copy of the email record from the Applicant's Sent box).

Instructions for Preparing Electronic Copy of Proposal

All proposals must include electronic copies of all documents, provided on a CD. Label the CD with the title "Building 9" and the name of the organization submitting the proposal.

Maintain the original format of all electronic documents. Do not convert any electronic documents to PDF format if not already in that format. The single exception to this rule is in the case of the Affidavits and Table of Contents/Self-Certification Checklist. These must be signed by the appropriate officer of the submitting organization, and hence must be imaged for electronic submission.

On the disc, please observe the following:

- Create a separate folder for each Tab, and label as appropriate. Within each folder place the relevant Attachments as indicated by the Table of Contents/Self-Certification Checklists in the Application documents.
- Create a folder labeled "Application Documents." Save the published Application documents in this folder, maintaining the names of the files, but with an added identifier (e.g. "HsgForAll Stage 2 Forms.xls")

Instructions for Preparing Hard Copy of Proposal

The application should be submitted in an appropriately-sized three-ring binder, with the disc secured within. For Multifamily project applications, both the Combined Application Self-Certification Checklist AND the HTF Addendum Self-Certification Checklist are REQUIRED to ensure that your application meets all the application requirements and is complete.

- Complete the application in accordance with the Table of Contents/ Checklist provided with the Combined Application.
- Create tabs, using the numbering system in the table of contents located in the Combined Application.
- Include the attachments listed in the HTF Addendum behind the relevant Tab indicated in the Addendum (viz., Tabs 2, 6, and 9). Do not substitute any forms.
- Place the responses and attachments under the appropriate tab with Sections first, followed by Forms and then required attachments.

- Attachments are acceptable on Legal size paper (i.e., 8.5" x 14") as appropriate, for instance in the case of architectural renderings. Document whose originals are of larger sizes should be reduced to no more than Legal. Attachments should generally be on Letter size paper (i.e., 8.5" x 11").

Please Note: Faxed or e-mailed materials will not be accepted in lieu of the required hardcopy binder.

Both the Combined Application Self-Certification Checklist AND the HTF Addendum Self-Certification Checklist are REQUIRED to ensure that your application meets all the application requirements and is complete.

Questions regarding the Application forms or submittal process should be directed to Sean Harrington at 360.725.2995, or via email at sean.harrington@commerce.wa.gov.

Omitted Documentation

Applicants are required to self-certify that all the requirements of the application have been submitted by including a signed copy of the Self-Certification Checklist. During project review, if it is determined that critical information has not been included as itemized in the checklist, Applicants will be given the opportunity to provide the additional materials required.

The process is as follows:

1. Applicants will be notified during the review process when their application is found to be incomplete or when Commerce staff discover issues that need additional information to be addressed.
2. Applicants will have 5 business days from notification date to submit missing materials.
3. Applicants who fail to submit the missing items within 5 business days or who submit items considered unresponsive to this RFP will not receive further consideration.

Revisions and Clarifications to the RFP

In the event it becomes necessary to revise any part of this RFP, addenda will be provided via e-mail to all individuals who have made the RFP Coordinator aware of their interest. You are responsible for sending your name, e-mail address, and telephone number to the RFP Coordinator in order for your organization to receive any RFP addenda.

Questions and requests for clarification to this RFP should be submitted via e-mail to the RFP Coordinator between 8 a.m. on Monday, June 2, and 5 p.m. on Wednesday, June

11. The published questions and answers and any other pertinent information shall be provided as an addendum to the RFP and will be placed on the [Commerce website](#). Commerce will attempt to respond to all questions by 5 p.m. Friday, June 13.

Commerce also reserves the right to cancel or to reissue the RFP in whole or in part, prior to execution of a contract.

Costs to Propose

Commerce will not be liable for any costs incurred by the Applicant in preparation of a proposal submitted in response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP

Proposal Review and Selection

Responsive proposals will be evaluated by an evaluation team(s), to be designated by Commerce, which will determine the ranking of the proposals. The RFP Coordinator may contact the Applicant for clarification of any portion of the Applicant's proposal.

Oral Presentations May Be Required

At its sole discretion, after evaluating the written proposals, Commerce may elect to schedule oral presentations of the finalists. Should oral presentations become necessary, Commerce will contact the top-ranking firm(s) to schedule a date, time and location. Commitments made by the Applicant at the oral interview, if any, will be considered binding. Commerce anticipates that oral presentations, if scheduled, will occur in Seattle on October 23, 2014.

Notification to Proposers

Commerce will notify the successful Applicant of their selection in writing upon completion of the evaluation process. Individuals or firms whose proposals were not selected for further negotiation or award will be notified separately by e-mail. Commerce anticipates making notification by November 10, 2014.

RFP Timeline

RFP issued	May 22
Q&A period	June 2 – June 13
Site access	June 19 & June 26
Proposals due	September 26
Oral presentations (if requested)	October 23
Award announcement	November 10